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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 13, 2000

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUE990781

For approval of a special  
rate and contract

ORDER FOR NOTICE AND HEARING

On November 12, 1999, Columbia Gas of Virginia, Inc. ("Columbia" or "Company") filed its "Application of Columbia Gas of Virginia, Inc. For approval of a special rate and contract pursuant to Virginia Code § 56-235.2" (hereinafter "Application"). The Company seeks approval of its agreement of January 26, 1999, with Chaparral (Virginia) Inc. ("Chaparral") for firm transportation of natural gas and balancing services for Chaparral's steel recycling facility in Dinwiddie County. Pursuant to the agreement, the Company would provide services under its Schedule TS-2 and General Terms and Conditions at a special negotiated rate for delivery service. (Application at 3 n.1, 4.)

According to the Company, the Application conforms to the Commission's Guidelines for Special Rates, Contracts, or Incentives, 20 VAC 5-310-10 (hereinafter "Guidelines").<sup>1</sup> As

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<sup>1</sup> In addition to the Virginia Administrative Code, the text of the guidelines is available on the Commission's web site at

provided by Guideline 2, Columbia requested confidential treatment of parts of the Application and attached materials (Application at 6) and filed a redacted copy to be placed in the Commission's public file.

Upon review of the Application, it appears that Columbia has complied with the Guidelines and that the matter should be docketed for hearing after notice to all affected parties as required by § 56-235.2 of the Code of Virginia. We shall also direct the Commission Staff to investigate the Application.

In determining the scope of the required notice, the Commission must first identify, in the words of the statute, "all affected parties." We note that the Application refers specifically to only two of the Company's services, Rate Schedules TS-2 and LVTS. (Application at 3-5.) Application Attachments 3B (Unredacted Version) and Attachment 4, together with Schedule 3 accompanying Robert Horner's direct testimony, indicate, however, that the costs associated with the Chaparral agreement would affect all classes of customers, including residential and small commercial customers. Finally, "affected parties" could reasonably include entities not found on Columbia's customer lists. To assure the notice required by law, we will direct the Company to publish notice by newspaper display advertisement throughout its service territory.

As noted, Columbia cited our Guideline 2 and filed both public or redacted and unredacted versions of its Application and supporting testimony and exhibits. While Columbia represented that the filings "contain proprietary and commercially sensitive information" (Application at 6), the Company did not elaborate or otherwise support its position why certain of its information should be considered proprietary.

The procedures established in Guideline 2 for Commission and Staff review of the unredacted version and public access to the redacted version anticipate a need for nondisclosure of materials supporting an application. Guideline 2 was not, however, intended to extend automatically confidential treatment. Applicants for approval of a special rate or contract should identify who would be harmed by disclosure and the scope of any injury so that the Commission may determine whether nondisclosure of information is required. Accordingly, Columbia should supplement its Application to provide the Commission information on why confidential treatment is required. The Company may also move for entry of an order governing confidential treatment of materials filed in this proceeding. In the event that Columbia does not promptly make such a filing, or in the event any motion for protective order is denied, the presiding hearing examiner may rule that the unredacted copy of the Application be placed in the public file and that Columbia be directed to provide copies of the unredacted version to parties of record.

ACCORDINGLY, IT IS ORDERED THAT:

(1) This Application be docketed, be assigned Case No. PUE990781, and that all associated papers be filed therein.

(2) A public hearing be held on this Application beginning at 10:00 a.m. on April 12, 2000, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(3) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"),<sup>2</sup> 5 VAC 5-10-520, a Hearing Examiner be assigned to conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(4) On or before February 1, 2000, Columbia shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of any additional direct testimony and exhibits that it intends to present in support of the captioned Application during the public hearing.

(5) Copies of the public version of the Application and accompanying documents shall be available for inspection in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond,

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<sup>2</sup> A copy of the Commission's Rules of Practice and Procedure may be obtained from the Clerk, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197. The Rules may be also found on the Commission's Web site at <http://dit1.state.va.us/scc/rules/rulestoc.htm>.

Virginia, between the hours of 8:15 a.m. and 5:00 p.m. on Commission business days. Copies can be ordered from Columbia's counsel, Mark C. Darrell, Esquire, and James S. Copenhaver, Esquire, Columbia Gas of Virginia, Inc., P.O. Box 35674, Richmond, Virginia 23235-0674.

(6) Any person desiring to comment in writing on Columbia's Application may do so by directing such comments on or before March 6, 2000, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Such comments shall refer to Case No. PUE990781. Any person desiring to make a statement at the public hearing concerning the Application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(7) On or before March 1, 2000, any person desiring to participate in this proceeding as a protestant, as defined in Rule 4:6 of the Rules, 5 VAC 5-10-180, shall file an original and fifteen (15) copies of a notice of protest, as required by Rule 5:16(a) of the Rules, 5 VAC 5-10-420 A, with the Clerk and shall simultaneously serve copies on counsel to Columbia, Edward L. Flippen, Esquire, McGuire, Woods, Battle & Boothe L.L.P., One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030, and Mark C. Darrell, Esquire, and James S. Copenhaver, Esquire, Columbia Gas of Virginia, Inc., P.O. Box 35674, Richmond, Virginia 23235-0674.

(8) Within 5 days of receipt of a notice of protest, Columbia shall serve upon each person filing a notice a copy of all unredacted materials now or hereafter filed with the Commission and available for public inspection.

(9) On or before 2:00 p.m. on March 6, 2000, each protestant shall file with the Clerk an original and fifteen (15) copies of its protest, as required by Rule 5:16(b), 5 VAC 5-10-420 B, and an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in support of its protest, and shall serve one (1) copy of the protest, testimony, and exhibits on counsel to Columbia and on all other parties. The protest shall set forth (i) a precise statement of the interest of the protestant in the proceeding; (ii) a full and clear statement of the facts which the protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8, 5 VAC 5-10-200.

(10) The Commission Staff shall investigate the Application and, on March 15, 2000, shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that it intends to offer and shall serve one (1) copy on all parties.

(11) On or before 2:00 p.m. on March 29, 2000, Columbia may file with the Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(12) Rule 6:4, Interrogatories to Parties or Requests for Production of Documents and Things, 5 VAC 5-10-480, shall be modified for this proceeding as follows: (i) answers and objections shall be served within eight (8) calendar days after receipt of interrogatories; (ii) special motions upon the validity of any objections shall be filed within four (4) business days of receipt of the objection; (iii) answers, objections, and special motions shall be served by 3:00 p.m. on the due date, unless the Staff or party upon whom service must be made agrees in advance to other arrangements.

(13) On or before February 16, 2000, Columbia shall complete publication of the following notice as display advertising (not classified), once a week for two consecutive weeks, in newspapers of general circulation throughout its service territory:

APPLICATION OF COLUMBIA GAS OF VIRGINIA,  
INC., FOR APPROVAL OF A SPECIAL RATE AND  
CONTRACT, CASE NO. PUE990781

On November 12, 1999, Columbia Gas of Virginia, Inc. ("Columbia" or "Company"), filed its Application of Columbia Gas of Virginia, Inc., For approval of a special rate and contract pursuant to § 56-235.2 of the Code of Virginia. The Company seeks approval of an agreement with Chaparral

(Virginia) Inc. ("Chaparral") for firm transportation of natural gas and balancing services for Chaparral's steel recycling facility in Dinwiddie County. The agreement provides for services to be provided under the terms of the Company's Schedule TS-2 and General Terms and Conditions but at a special negotiated rate for delivery service. According to the Application, the costs and revenues associated with the Chaparral agreement could affect all classes of customers, including residential and small commercial customers.

Section 56-235.2 of the Code of Virginia was amended by the 1996 General Assembly to permit utilities to request special rates, contracts, or incentives for particular customers or classes of customers. Section 56-235.2 D, as amended, includes a subsection that requires the Commission to issue guidelines for special rates, contracts, or incentives that will ensure that other customers are not caused to bear increased rates as a result of such special rates.

A public hearing on Columbia's Application shall be convened before a Hearing Examiner on April 12, 2000, at 10:00 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

Copies of redacted versions of Columbia's Application and supporting documents are available for public inspection in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5:00 p.m. on Commission business days. Copies of the redacted versions of Columbia's Application and supporting documents can be ordered from Columbia's counsel, Mark C. Darrell, Esquire, and James S. Copenhaver, Esquire, Columbia Gas of Virginia, Inc., P.O. Box 35674, Richmond, Virginia 23235-0674.



Any person desiring to comment in writing on Columbia's Application may do so by directing such comments to the Clerk of the Commission at the address set out below. For maximum consideration, comments should be received by March 6, 2000. Any person desiring to make a statement at the public hearing concerning Columbia's Application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceedings as a protestant pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure should promptly obtain a copy of the Order for Notice and Hearing entered herein from the Clerk of the Commission for complete details of the procedural schedule and instructions on participation in this case.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

All written communications to the Commission concerning Columbia's Application should be directed to Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and must refer to Case No. PUE990781.

COLUMBIA GAS OF VIRGINIA, INC.

(14) On or before January 26, 2000, Columbia shall serve a copy of this Order for Notice and Hearing upon the Company's customers served under Rate Schedules TS-2 and LVTS at the customary place of business or residence of the person served. Service shall be made by first-class mail or hand-delivery.

(15) On or before January 26, 2000, Columbia shall serve a copy of this Order for Notice and Hearing upon the Chairman of the Board of Supervisors of Dinwiddie County. Service shall be made by first-class mail or hand-delivery to the customary place of business or residence of the person served.

(16) On or before March 8, 2000, Columbia shall file with the Clerk proof of the newspaper publication directed in Ordering Paragraph (13) above and a certificate of service of copies of the order as directed in Ordering Paragraphs (14) and (15) above, including the names and addresses of the persons served.